

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 263

January 21, 2021

SUMMARY OF BILL: Increases, from three displays to five displays in three years, the number of displays in which an applicant for a proximate pyrotechnic display operator or flame effect display operator is required to work under supervision before applying for a certification under the State Fire Marshal's Office (SFMO). Increases, from two to three years, the period of time in which each firework display operator certification expires.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue – Net Impact - \$6,700/FY21-22 and Subsequent Years/
State Fire Marshal's Office**

Assumptions:

- Pursuant to Tenn. Code Ann. § 68-104-208(a), an applicant for an outdoor fireworks display, proximate pyrotechnic display, or flame effect display operator certificate is required to work under competent supervision on at least three displays in three years preceding the application.
- The proposed legislation increases the required work on supervised displays to five displays in three years for proximate pyrotechnic display operators and flame effect display operators.
- Pursuant to Tenn. Code Ann. § 68-104-208(b), if an applicant applies for more than one certification as an outdoor firework display operator, proximate pyrotechnic display operator, or flame effect display operator, the applicant may pay a maximum certification fee of \$300.
- According to the SFMO application for an outdoor firework display operator, proximate pyrotechnic display operator, and flame effect display operator certifications, the maximum fee paid by an applicant for multiple certifications is \$200. Each individual certification is \$100.
- Pursuant to Tenn. Code Ann. § 68-104-208(d)(1), operator certifications expire on a biennial basis.
- According to a roster on the Department of Commerce and Insurance website, there are 224 active fireworks display operators.
- It is estimated that approximately 80 percent or 179 (224 x 80.0%) of the total firework display operators, hold a certification in one or more operator categories, paying a certification fee of \$200 every two years, with the remaining 20 percent or 45 (224 x 20.0%) holding only one certification and paying \$100 every two years.

- An estimated certification revenue total to the SFMO on a two-year expiration basis of \$20,150 $[(179 \times \$200) + (45 \times \$100) / 2]$.
- An estimated certification revenue total to the SFMO on a three-year expiration basis of \$13,433 $[(179 \times \$200) + (45 \times \$100) / 3]$.
- A net annual recurring decrease in revenue, beginning in FY21-22, to the SFMO to extend the expiration date of each firework display certification from two years to three years of \$6,717 $(\$20,150 - \$13,433)$.
- The proposed legislation is not estimated to significantly change the number of display operator certificates in any category issued by or applied for through the SFMO.

IMPACT TO COMMERCE:

Decrease Business Expenditures – Net Impact - \$6,700/FY21-22 and Subsequent Years

Assumptions:

- A net annual recurring decrease in business expenditures, beginning in FY21-22, to extend the expiration date of each firework display certification from two years to three years of \$6,717 $(\$20,150 - \$13,433)$.
- The proposed legislation is not estimated to significantly change the number of display operator certificates in any category issued by or applied for through the SFMO.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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